

108TH CONGRESS
2D SESSION

S. 3027

To amend the Foreign Assistance Act of 1961 to improve the results and accountability of microenterprise development assistance programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 20, 2004

Mr. DEWINE (for himself, Mr. SARBANES, Ms. MIKULSKI, Mr. SMITH, Mrs. CLINTON, Mr. ALLEN, Mr. CORZINE, Mr. HAGEL, and Mr. DURBIN) introduced the following bill; which was read twice

NOVEMBER 21 (legislative day, NOVEMBER 20), 2004

Considered, read the third time, and passed

A BILL

To amend the Foreign Assistance Act of 1961 to improve the results and accountability of microenterprise development assistance programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Microenterprise Re-
5 sults and Accountability Act of 2004”.

6 **SEC. 2. FINDINGS AND POLICY.**

7 Congress finds and declares the following:

1 (1) Congress has demonstrated its support for
2 microenterprise development assistance programs
3 through the enactment of two comprehensive micro-
4 enterprise laws:

5 (A) The Microenterprise for Self-Reliance
6 Act of 2000 (title I of Public Law 106–309;
7 114 Stat. 1082).

8 (B) Public Law 108–31 (an Act entitled
9 “An Act to amend the Microenterprise for Self-
10 Reliance Act of 2000 and the Foreign Assist-
11 ance Act of 1961 to increase assistance for the
12 poorest people in developing countries under
13 microenterprise assistance program under those
14 Acts, and for other purposes”, approved June
15 17, 2003).

16 (2) The report on the effectiveness of the
17 United States Agency for International Develop-
18 ment’s microfinance program, prepared by the Con-
19 sultative Group to Assist the Poor, rated the Agency
20 in the top tier of the 17 donors in this field.

21 (3) The Comptroller General, in a report dated
22 November 2003, found that the United States Agen-
23 cy for International Development has met some, but
24 not all, of the key objectives of such microenterprise
25 development assistance programs.

1 (4) The Comptroller General’s report found,
2 among other things, the following:

3 (A) Microenterprise development assistance
4 generally can help alleviate some impacts of
5 poverty, improve income levels and quality of
6 life for borrowers and provide poor individuals,
7 workers, and their families with an important
8 coping mechanism.

9 (B) Microenterprise development assist-
10 ance programs of the United States Agency for
11 International Development have encouraged
12 women’s participation in microfinance projects
13 and, according to data of the Agency, women
14 have comprised two-thirds or more of the micro-
15 loan clients in Agency-funded microenterprise
16 projects since 1997.

17 (5)(A) The Comptroller General’s report rec-
18 ommends that the Administrator of the United
19 States Agency for International Development review
20 the Agency’s “microenterprise results reporting”
21 system with the goal of ensuring that its annual re-
22 porting is complete and accurate.

23 (B) Specifically, the Administrator should re-
24 view and reconsider the methodologies used for the
25 collection, analysis, and reporting of data on annual

1 spending targets, outreach to the very poor, sustain-
 2 ability of microfinance institutions, and the contribu-
 3 tion of Agency’s funding to the institutions it sup-
 4 ports.

5 **SEC. 3. MICROENTERPRISE DEVELOPMENT ASSISTANCE.**

6 Chapter 2 of part I of the Foreign Assistance Act
 7 of 1961 (22 U.S.C. 2166 et seq.) is amended by inserting
 8 after title V the following new title:

9 “TITLE VI—MICROENTERPRISE DEVELOPMENT
 10 ASSISTANCE

11 **“SEC. 251. FINDINGS AND POLICY.**

12 “Congress finds and declares the following:

13 “(1) Access to financial services and the devel-
 14 opment of microenterprise are vital factors in the
 15 stable growth of developing countries and in the de-
 16 velopment of free, open, and equitable international
 17 economic systems.

18 “(2) It is therefore in the best interest of the
 19 United States to facilitate access to financial serv-
 20 ices and assist the development of microenterprise in
 21 developing countries.

22 “(3) Access to financial services and the devel-
 23 opment of microenterprises can be supported by pro-
 24 grams providing credit, savings, training, technical

1 assistance, business development services, and other
2 financial services.

3 “(4) Given the relatively high percentage of
4 populations living in rural areas of developing coun-
5 tries, and the combined high incidence of poverty in
6 rural areas and growing income inequality between
7 rural and urban markets, microenterprise programs
8 should target both rural and urban poor.

9 “(5) Microenterprise programs have been suc-
10 cessful and should continue to empower vulnerable
11 women in the developing world. The Agency should
12 work to ensure that recipients of microenterprise
13 and microfinance development assistance under this
14 title communicate and work with nongovernmental
15 organizations and government organizations to iden-
16 tify and assist victims of trafficking as provided for
17 in section 106(a)(1) of the Trafficking Victims Pro-
18 tection Act of 2000 (22 U.S.C. 7104(a)(1); Public
19 Law 106–386) and women who are victims of or
20 susceptible to other forms of exploitation and vio-
21 lence.

22 “(6) Given that microenterprise programs have
23 been successful in empowering disenfranchised
24 groups such as women, microenterprise programs
25 should also target populations disenfranchised due to

1 race or ethnicity in countries where a strong rela-
 2 tionship between poverty and race or ethnicity has
 3 been demonstrated, such as countries in Latin Amer-
 4 ica.

5 **“SEC. 252. AUTHORIZATION; IMPLEMENTATION; TARGETED**
 6 **ASSISTANCE.**

7 “(a) AUTHORIZATION.—The President is authorized
 8 to provide assistance on a non-reimbursable basis for pro-
 9 grams in developing countries to increase the availability
 10 of credit, savings, and other services to microfinance and
 11 microenterprise clients lacking full access to capital, train-
 12 ing, technical assistance, and business development serv-
 13 ices, through—

14 “(1) assistance for the purpose of expanding
 15 the availability of credit, savings, and other financial
 16 and non-financial services to microfinance and
 17 microenterprise clients;

18 “(2) assistance for the purpose of training,
 19 technical assistance, and business development serv-
 20 ices for microenterprises to enable them to make
 21 better use of credit, to better manage their enter-
 22 prises, to conduct market analysis and product de-
 23 velopment for expanding domestic and international
 24 sales, particularly to United States markets, and to
 25 increase their income and build their assets;

1 “(3) capacity-building for microfinance and
 2 microenterprise institutions in order to enable them
 3 to better meet the credit, savings, and training needs
 4 of microfinance and microenterprise clients; and

5 “(4) policy, regulatory programs, and research
 6 at the country level that improve the environment
 7 for microfinance and microenterprise clients and in-
 8 stitutions that serve the poor and very poor.

9 “(b) IMPLEMENTATION.—

10 “(1) OFFICE OF MICROENTERPRISE DEVELOP-
 11 MENT.—There is established within the Agency an
 12 office of microenterprise development, which shall be
 13 headed by a Director who shall be appointed by the
 14 Administrator and who should possess technical ex-
 15 pertise and ability to offer leadership in the field of
 16 microenterprise development.

17 “(2) ADDITIONAL PROVISIONS.—

18 “(A) USE OF IMPLEMENTING PARTNER
 19 ORGANIZATIONS.—Assistance under this section
 20 shall emphasize the use of implementing part-
 21 ner organizations that best meet the require-
 22 ments of subparagraph (C).

23 “(B) USE OF CENTRAL FUNDING MECHA-
 24 NISMS.—

1 “(i) PROGRAM.—In order to ensure
 2 that assistance under this title is distrib-
 3 uted effectively and efficiently, the office
 4 shall also seek to implement a program of
 5 central funding under which assistance is
 6 administered directly by the office, includ-
 7 ing through targeted core support for
 8 microfinance and microenterprise networks
 9 and other practitioners.

10 “(ii) FUNDING.—Of the amount made
 11 available to carry out this subtitle for a fis-
 12 cal year, not less than \$25,000,000 should
 13 be made available to carry out clause (i).

14 “(C) EFFICIENCY AND COST-EFFECTIVE-
 15 NESS.—Assistance under this section shall meet
 16 high standards of efficiency, cost-effectiveness,
 17 and sustainability and shall especially provide
 18 the greatest possible resources to the poor and
 19 very poor. When administering assistance under
 20 this section, the Administrator shall—

21 “(i) take into consideration the per-
 22 centage of funds a provider of assistance
 23 intends to expend on administrative costs;

24 “(ii) take all appropriate steps to en-
 25 sure that the provider of assistance keeps

1 administrative costs as low as practicable
2 to ensure the maximum amount of funds
3 are used for directly assisting microfinance
4 and microenterprise clients, for estab-
5 lishing sustainable microfinance and micro-
6 enterprise institutions, or for advancing
7 the microenterprise development field; and

8 “(iii) give preference to proposals
9 from providers of assistance that are the
10 most technically competitive and have a
11 reasonable allocation to overhead and ad-
12 ministrative costs.

13 “(3) APPROVAL OF STRATEGIC PLANS.—With
14 respect to assistance provided under this section, the
15 office shall be responsible for concurring in the
16 microenterprise development components of strategic
17 plans of missions, bureaus, and other offices of the
18 Agency and providing technical support to field mis-
19 sions to help the missions prepare such components.

20 “(c) TARGETED ASSISTANCE.—In carrying out sus-
21 tainable poverty-focused programs under subsection (a),
22 50 percent of all microenterprise resources shall be tar-
23 geted to clients who are very poor. Specifically, until Sep-
24 tember 30, 2006, such resources shall be used for—

1 “(1) support of programs under this section
2 through practitioner institutions that—

3 “(A) provide credit and other financial
4 services to clients who are very poor, with loans
5 in 1995 United States dollars of—

6 “(i) \$1,000 or less in the Europe and
7 Eurasia region;

8 “(ii) \$400 or less in the Latin Amer-
9 ica region; and

10 “(iii) \$300 or less in the rest of the
11 world; and

12 “(B) can cover their costs in a reasonable
13 time period; or

14 “(2) demand-driven business development pro-
15 grams that achieve reasonable cost recovery that are
16 provided to clients holding poverty loans (as defined
17 by the regional poverty loan limitations in paragraph
18 (1)(A)), whether they are provided by microfinance
19 institutions or by specialized business development
20 services providers.

21 **“SEC. 253. MONITORING SYSTEM.**

22 “(a) IN GENERAL.—In order to maximize the sus-
23 tainable development impact of assistance authorized
24 under section 252(a), the Administrator of the Agency,
25 acting through the Director of the office, shall strengthen

1 its monitoring system to meet the requirements of sub-
2 section (b).

3 “(b) REQUIREMENTS.—The requirements referred to
4 in subsection (a) are the following:

5 “(1) The monitoring system shall include per-
6 formance goals for the assistance and expresses such
7 goals in an objective and quantifiable form, to the
8 extent feasible.

9 “(2) The monitoring system shall include per-
10 formance indicators to be used in measuring or as-
11 sessing the achievement of the performance goals de-
12 scribed in paragraph (1) and the objectives of the
13 assistance authorized under section 252.

14 “(3) The monitoring system provides a basis for
15 recommendations for adjustments to the assistance
16 to enhance the sustainability and the impact of the
17 assistance, particularly the impact of such assistance
18 on the very poor, particularly poor women.

19 “(4) The monitoring system adopts the wide-
20 spread use of proven and effective poverty assess-
21 ment tools to successfully identify the very poor and
22 ensure that they receive adequate access to micro-
23 enterprise loans, savings, and assistance.

1 **“SEC. 254. DEVELOPMENT AND CERTIFICATION OF POV-**
2 **ERTY MEASUREMENT METHODS; APPLICA-**
3 **TION OF METHODS.**

4 “(a) DEVELOPMENT AND CERTIFICATION.—

5 “(1) IN GENERAL.—The Administrator of the
6 Agency, in consultation with microenterprise institu-
7 tions and other appropriate organizations, shall de-
8 velop no fewer than two low-cost methods for imple-
9 menting partner organizations to use to assess the
10 poverty levels of their current incoming or prospec-
11 tive clients. The Administrator shall develop poverty
12 indicators that correlate with the circumstances of
13 the very poor.

14 “(2) FIELD TESTING.—The Administrator shall
15 field-test the methods developed under paragraph
16 (1). As part of the testing, institutions and pro-
17 grams may use the methods on a voluntary basis to
18 demonstrate their ability to reach the very poor.

19 “(3) CERTIFICATION.—Not later than April 1,
20 2005, the Administrator shall, from among the low-
21 cost poverty measurement methods developed under
22 paragraph (1), certify no fewer than two such meth-
23 ods as approved methods for measuring the poverty
24 levels of current, incoming, or prospective clients of
25 microenterprise institutions for purposes of assist-
26 ance under section 252.

1 “(b) APPLICATION.—The Administrator shall require
 2 that, with reasonable exceptions, all implementing partner
 3 organizations applying for microenterprise assistance
 4 under this title use one of the certified methods, beginning
 5 not later than October 1, 2006, to determine and report
 6 the poverty levels of current, incoming, or prospective cli-
 7 ents.

8 **“SEC. 255. AVAILABILITY OF FUNDS; ADDITIONAL AUTHORI-**
 9 **TIES.**

10 “(1) Notwithstanding any other provision of law,
 11 amounts made available for assistance for microenterprise
 12 development assistance under any provision of law other
 13 than this title may be provided to further the purposes
 14 of this title. To the extent assistance described in the pre-
 15 ceding sentence is provided in accordance with such sen-
 16 tence, the Administrator of the Agency shall include, as
 17 part of the report required under section 258, a detailed
 18 description of such assistance and, to the extent applica-
 19 ble, the information required by paragraphs (1) through
 20 (11) of subsection (b) of such section with respect to such
 21 assistance.”.

22 **SEC. 4. MICROENTERPRISE DEVELOPMENT CREDITS.**

23 (a) TRANSFER.—Section 108 of the Foreign Assist-
 24 ance Act of 1961 (22 U.S.C. 2151f) is hereby—

1 (1) transferred from chapter 1 of part I of the
 2 Foreign Assistance Act of 1961 to title VI of chap-
 3 ter 2 of part I of such Act (as added by section 3
 4 of this Act); and

5 (2) inserted after section 255 of the Foreign
 6 Assistance Act of 1961.

7 (b) REDESIGNATION.—Title VI of chapter 2 of part
 8 I of the Foreign Assistance Act of 1961 is amended by
 9 redesignating section 108 (as added by subsection (a)) as
 10 section 256.

11 (c) CONFORMING AMENDMENTS.—Title VI of chap-
 12 ter 2 of part I of the Foreign Assistance Act of 1961 is
 13 amended—

14 (1) by inserting after the title heading the fol-
 15 lowing:

16 “Subtitle A—Grant Assistance”;

17 (2) by inserting after section 255 the following:

18 “Subtitle B—Credit Assistance”; and

19 (3) in section 256 (as redesignated by sub-
 20 section (b))—

21 (A) in the matter preceding paragraph (1)
 22 of subsection (c), by striking “Administrator of
 23 the agency primarily responsible for admin-
 24 istering this part” and inserting “Administrator
 25 of the Agency”; and

1 (B) in subsection (f)(1)—

2 (i) by striking “section 131” and in-
3 serting “this part”; and

4 (ii) by striking “for each of fiscal
5 years 2001 through 2004” and inserting
6 “for fiscal year 2005 and such sums as
7 may be necessary for each of the fiscal
8 years 2006 through 2009”.

9 **SEC. 5. UNITED STATES MICROFINANCE LOAN FACILITY.**

10 (a) TRANSFER.—Section 132 of the Foreign Assist-
11 ance Act of 1961 (22 U.S.C. 2152b) is hereby—

12 (1) transferred from chapter 1 of part I of the
13 Foreign Assistance Act of 1961 to title VI of chap-
14 ter 2 of part I of such Act (as added by section 3
15 of this Act); and

16 (2) inserted after section 256 of the Foreign
17 Assistance Act of 1961 (as added by section 4 of
18 this Act).

19 (b) REDESIGNATION.—Title VI of chapter 2 of part
20 I of the Foreign Assistance Act of 1961 is amended by
21 redesignating section 132 (as added by subsection (a)) as
22 section 257.

23 (c) CONFORMING AMENDMENTS.—Title VI of chap-
24 ter 2 of part I of the Foreign Assistance Act of 1961 is
25 amended—

1 (1) by inserting after section 256 the following:

2 “Subtitle C—United States Microfinance Loan Facility”;

3 and

4 (2) in section 257 (as redesignated by sub-
5 section (b))—

6 (A) in subsection (b)(3), by striking “2001
7 and 2002” and inserting “2005 through 2009”;

8 (B) in the matter preceding subparagraph
9 (A) of subsection (d)(1), by striking “this part
10 for the fiscal year 2001, up to \$5,000,000” and
11 inserting “this part, up to \$5,000,000 for fiscal
12 year 2005 and such sums as may be necessary
13 for each of the fiscal years 2006 through
14 2009,”; and

15 (C) by striking subsection (e).

16 **SEC. 6. MISCELLANEOUS PROVISIONS.**

17 Title VI of chapter 2 of part I of the Foreign Assist-
18 ance Act of 1961 (as added by section 3 of this Act and
19 amended by sections 4 and 5 of this Act) is further
20 amended by adding at the end the following new subtitle:

21 “Subtitle D—Miscellaneous Provisions

22 **“SEC. 258. REPORT.**

23 “(a) IN GENERAL.—Not later than June 30, 2006,
24 and each June 30 thereafter, the Administrator of the
25 Agency, acting through the Director of the office, shall

1 submit to the appropriate congressional committees a re-
2 port that contains a detailed description of the implemen-
3 tation of this title for the previous fiscal year.

4 “(b) CONTENTS.—The report shall contain the fol-
5 lowing:

6 “(1) The number of grants, cooperative agree-
7 ments, contracts, contributions, or other form of as-
8 sistance provided under section 252, with a listing
9 of—

10 “(A) the amount of each grant, cooperative
11 agreement, contract, contribution, or other form
12 of assistance;

13 “(B) the name of each recipient and each
14 developing country with respect to which
15 projects or activities under the grant, coopera-
16 tive agreement, contract, contribution, or other
17 form of assistance were carried out; and

18 “(C) a listing of the number of countries
19 receiving assistance authorized by section 252.

20 “(2) The results of the monitoring system re-
21 quired under section 253.

22 “(3) The process of developing and applying
23 poverty assessment procedures required under sec-
24 tion 254.

1 “(4) The percentage of assistance furnished
2 under section 252 that was allocated to the very
3 poor based on the data collected using the certified
4 methods required by section 254.

5 “(5) The estimated number of the very poor
6 reached with assistance provided under section 252.

7 “(6) The amount of assistance provided under
8 section 252 through central mechanisms.

9 “(7) The name of each country that receives as-
10 sistance under section 256 and the amount of such
11 assistance.

12 “(8) Information on the efforts of the Agency
13 to ensure that recipients of United States micro-
14 enterprise and microfinance development assistance
15 work closely with nongovernmental organizations
16 and foreign governments to identify and assist vic-
17 tims or potential victims of severe forms of traf-
18 ficking in persons and women who are victims of or
19 susceptible to other forms of exploitation and vio-
20 lence.

21 “(9) Any additional information relating to the
22 provision of assistance authorized by this title, in-
23 cluding the use of the poverty measurement tools re-
24 quired by section 254, or additional information on
25 assistance provided by the United States to support

1 microenterprise development under this title or any
 2 other provision of law.

3 “(10) An estimate of the percentage of bene-
 4 ficiaries of assistance under this title in countries
 5 where a strong relationship between poverty and
 6 race or ethnicity has been demonstrated.

7 “(11) The level of funding provided through
 8 contracts, the level of funding provided through
 9 grants, contracts, and cooperative agreements that is
 10 estimated to be subgranted or subcontracted, as the
 11 case may be, to direct service providers, and an
 12 analysis of the comparative cost-effectiveness and
 13 sustainability of projects carried out under these
 14 mechanisms.

15 “(c) AVAILABILITY TO PUBLIC.—The report required
 16 by this section shall be made available to the public on
 17 the Internet website of the Agency.

18 **“SEC. 259. DEFINITIONS.**

19 “ In this title:

20 “(1) ADMINISTRATOR.—The term ‘Adminis-
 21 trator’ means the Administrator of the Agency.

22 “(2) AGENCY.—The term ‘Agency’ means the
 23 United States Agency for International Develop-
 24 ment.

1 “(3) APPROPRIATE CONGRESSIONAL COMMIT-
2 TEES.—The term ‘appropriate congressional com-
3 mittees’ means the Committee on International Re-
4 lations of the House of Representatives and the
5 Committee on Foreign Relations of the Senate.

6 “(4) BUSINESS DEVELOPMENT SERVICES.—The
7 term ‘business development services’ means support
8 for the growth of microenterprises through training,
9 technical assistance, marketing assistance, improved
10 production technologies, and other related services.

11 “(5) DIRECTOR.—The term ‘Director’ means
12 the Director of the office.

13 “(6) IMPLEMENTING PARTNER ORGANIZA-
14 TION.—The term ‘implementing partner organiza-
15 tion’ means an entity eligible to receive assistance
16 under this title which is—

17 “(A) a United States or an indigenous pri-
18 vate voluntary organization;

19 “(B) a United States or an indigenous
20 credit union;

21 “(C) a United States or an indigenous co-
22 operative organization;

23 “(D) an indigenous governmental or non-
24 governmental organization;

25 “(E) a microenterprise institution;

1 “(F) a microfinance institution; or

2 “(G) a practitioner institution.

3 “(7) MICROENTERPRISE INSTITUTION.—The
4 term ‘microenterprise institution’ means a not-for-
5 profit entity that provides services, including micro-
6 finance, training, or business development services,
7 for microenterprise clients in foreign countries.

8 “(8) MICROFINANCE INSTITUTION.—The term
9 ‘microfinance institution’ means a not-for-profit enti-
10 ty or a regulated financial intermediary that directly
11 provides, or works to expand, the availability of
12 credit, savings, and other financial services to micro-
13 finance and microenterprise clients in foreign coun-
14 tries.

15 “(9) MICROFINANCE NETWORK.—The term
16 ‘microfinance network’ means an affiliated group of
17 practitioner institutions that provides services to its
18 members, including financing, technical assistance,
19 and accreditation, for the purpose of promoting the
20 financial sustainability and societal impact of micro-
21 enterprise assistance.

22 “(10) OFFICE.—The term ‘office’ means the of-
23 fice of microenterprise development established
24 under section 252(b)(1).

1 “(11) PRACTITIONER INSTITUTION.—The term
 2 ‘practitioner institution’ means a not-for-profit enti-
 3 ty or a regulated financial intermediary, including a
 4 microfinance network, that provides services, includ-
 5 ing microfinance, training, or business development
 6 services, for microfinance and microenterprise cli-
 7 ents, or provides assistance to microenterprise insti-
 8 tutions in foreign countries.

9 “(12) PRIVATE VOLUNTARY ORGANIZATION.—
 10 The term ‘private voluntary organization’ means a
 11 not-for-profit entity that—

12 “(A) engages in and supports activities of
 13 an economic or social development or humani-
 14 tarian nature for citizens in foreign countries;
 15 and

16 “(B) is incorporated as such under the
 17 laws of the United States, including any of its
 18 states, territories or the District of Columbia,
 19 or of a foreign country.

20 “(13) UNITED STATES-SUPPORTED MICRO-
 21 FINANCE INSTITUTION.—The term ‘United States-
 22 supported microfinance institution’ means a finan-
 23 cial intermediary that has received funds made avail-
 24 able under this part for fiscal year 1980 or any sub-
 25 sequent fiscal year.

1 “(14) VERY POOR.—The term ‘very poor’
2 means those individuals—

3 “(A) living in the bottom 50 percent below
4 the poverty line established by the national gov-
5 ernment of the country in which those individ-
6 uals live; or

7 “(B) living on less than the equivalent of
8 \$1 per day (as calculated using the purchasing
9 power parity (PPP) exchange rate method).”.

10 **SEC. 7. SENSE OF CONGRESS.**

11 It is the sense of Congress that, in carrying out title
12 VI of chapter 2 of part I of the Foreign Assistance Act
13 of 1961 (as added by section 3 of this Act and amended
14 by sections 4 through 6 of this Act), the Administrator
15 of the United States Agency for International Develop-
16 ment—

17 (1) where applicable, should ensure that micro-
18 enterprise development assistance provided under
19 such title is matched by recipients with an equal
20 amount of assistance from non-United States Gov-
21 ernment sources, including private donations, multi-
22 lateral funding, commercial and concessional bor-
23 rowing, savings, and program income;

24 (2) should include in the report required by sec-
25 tion 258 of the Foreign Assistance Act of 1961 (as

1 added by section 6 of this Act) a description of all
2 matching assistance (as described in paragraph (1))
3 provided for the prior year by recipients of micro-
4 enterprise development assistance under such title;

5 (3) should ensure that recipients of microenter-
6 prise development assistance under such title do not
7 expend an unreasonably large percentage of such as-
8 sistance on administrative costs;

9 (4) should not use recipients of microenterprise
10 development assistance under such title to carry out
11 critical management functions of the Agency, includ-
12 ing functions such as strategy development or overall
13 management of programs in a country; and

14 (5) should consult with the appropriate congres-
15 sional committees with respect to the implementa-
16 tion of title VI of chapter 2 of part I of the Foreign
17 Assistance Act of 1961 not later than 90 days after
18 the date of the enactment of this Act.

19 **SEC. 8. REPEALS.**

20 (a) FOREIGN ASSISTANCE ACT OF 1961.—Section
21 131 of the Foreign Assistance Act of 1961 (22 U.S.C.
22 2152a) is hereby repealed.

23 (b) PUBLIC LAW 108–31.—

1 (1) IN GENERAL.—Section 4 of Public Law
2 108–31 (22 U.S.C. 2151f note) is amended by strik-
3 ing subsection (b).

4 (2) CONFORMING AMENDMENT.—Section 4 of
5 Public Law 108–31 is amended by striking “(a)”
6 and all that follows through “Not later” and insert-
7 ing “Not later”.

8 **SEC. 9. REFERENCES.**

9 Any reference in a law, regulation, agreement, or
10 other document of the United States to section 108, 131,
11 or 132 of the Foreign Assistance Act of 1961 shall be
12 deemed to be a reference to subtitle B of title VI of chap-
13 ter 2 of part I of the Foreign Assistance Act of 1961,
14 subtitle A of title VI of chapter 2 of part I of such Act,
15 or subtitle C of title VI of chapter 2 of part I of such
16 Act, respectively.

○